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QuickPoint! – A Sales Tax by Any Other Name

By Steve Buckstein

Public employee union backers of Initiative Petition 28 appear to have turned in more than enough signatures to place their 2.5 percent corporate gross receipts tax on Oregon's November ballot.

While the unions portray their measure as making large, out-of-state corporations pay their fair share of Oregon taxes, the nonpartisan Legislative Revenue Office (LRO) just released its more balanced perspective, which includes:

■ IP 28 will increase state and local taxes by $600 per year on average for every man, woman, and child in Oregon, totaling over $6 billion each full biennium.

■ IP 28 will dampen income, employment, and population growth over the next 5 years.

■ IP 28 will hit lower- and middle-income Oregonians harder than it will affect high-income earners. In other words, it is a regressive tax.

■ Finally, the Legislative Revenue Office concludes that IP 28 will act largely like a consumption tax. It estimates that roughly two-thirds of the $6 billion per biennium tax increase will be passed on to Oregon consumers in the form of higher prices.

Another name for a consumption tax is a sales tax.

Public employee unions back IP 28 because most of the tax revenue it would generate will go into the pockets of their members. Of course, that revenue will come out of everyone else's pockets.

Steve Buckstein is Founder and Senior Policy Analyst at Cascade Policy Institute, Oregon's free market public policy research organization.

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Please contact:

Cascade Policy Institute
4850 SW Scholls Ferry Rd.
Suite 103
Portland, Oregon 97225

Phone: (503) 242-0900
Fax: (503) 242-3822

www.cascadepolicy.org
info@cascadepolicy.org